

July 30, 2004

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte* Presentation – CC Docket No. 01-338

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this will provide notice that on July 29, 2004, Peter Field, President of USA TELEPHONE, provided Russell Hanser, Senior Attorney, and Jeremy Miller, Assistant Division Chief, in the Wireline Competition Bureau's Competition Policy Division, via email, the language on the attached page outlining a proposed "carve-out" in the Commission's permanent unbundling rules for telecommunications providers that serve primarily rural residential customers and small businesses. The attached language is being filed today for inclusion in the record in the above-captioned proceeding.

This email communication followed meetings Mr. Field had on July 26, 2004 with Commissioner Michael J. Copps, Jessica Rosenworcel, Competition and Universal Service Legal Advisor to Commissioner Copps, Commissioner Kathleen Q. Abernathy, Matthew Brill, Senior Legal Advisor to Commissioner Abernathy, Commissioner Kevin J. Martin, Daniel Gonzalez, Senior Policy Advisor to Commissioner Martin, and Russell Hanser, Senior Attorney, Jeremy Miller, Assistant Division Chief, Gail Cohen, Attorney Advisor and Marcus Maher, Attorney Advisor in the Wireline Competition Bureau's Competition Policy Division. The purpose of these meetings was to introduce the company to the above-named Commissioners and legal advisors and generally discuss the proposed "carve-out" outlined on the attached page.

Pursuant to the Commission's rules, one copy of this letter and the attached language is being filed electronically with your office for inclusion in the public record. Please do not hesitate to call me at (207) 467-8358 if you have any questions.

Respectfully submitted,

/s/

Paulina Collins, General Counsel
USA TELEPHONE

cc: FCC Commissioners and legal advisors